

DIRECTORS OF INSURANCE

YEAR	NAME	YEAR	NAME
1864-1913	Insurance Supervised by Auditors Office	1957-1959	John Binning
1913-1915	Lawson G. Brian	1959-1961	William E. Grubbs
1915-1918	W. B. Eastham	1961-1967	Frank J. Barrett
1919-1922	W. B. Young	1967-1971	Benjamin C. Neff
1922-1924	W. A. Fairchild	1971-1972	Samuel Van Pelt
1924-1927	John D. Dumont	1972-1975	James M. Jackson
1927-1934	David Dort	1975-1976	E. Benjamin Nelson
1934-1935	Lee Herdman	1976-1979	M. Berri Balka
1935-1941	Charles Smrha	1979-1983	Walter D. Weaver
1941-1946	C. C. Fraizer	1983-1987	Michael J. Dugan
1946-1946	Stanley R. Matzke	1987-1994	William H. McCartney
1946-1947	Donald R. Hodder	1994-1997	Robert G. Lange
1947-1953	Bernard Stone	1998-1999	Timothy J. Hall
1953-1953	Loren H. Laughlin	1999-2007	L. Tim Wagner
1953-1957	Tom Pansing	2007-Present	Ann M. Frohman

DEPARTMENT OF INSURANCE STAFF

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ADMINISTRATION

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Peg Jasa
Judy Meisner

Director of Insurance
Deputy Director
Public Information Officer
Secretary

ADMINISTRATIVE SERVICES DIVISION

Gary Timm
Glen Riedel, CNE
Mark Peterson, MCP
Cyndie White
Sue Williams
Nora Arizola
Julie Neal
Kathy Hoppel
Rae Miller
Nellie Spangler
Jillian Boston

Accounting and Finance Manager
Infrastructure Support Analyst Senior
Infrastructure Support Analyst
Infrastructure Support Analyst
Office Services Manager
Accounting Clerk II
Accounting Clerk II
Word Processing Specialist
Office Clerk
Office Clerk
Receptionist

CONSUMER AFFAIRS DIVISION

Jane Francis, FLMI
Karen Dyke, CIE
Barbara Ems
Rhonda Hotchkiss, HIA, ACS
Jeanette McArthur, AU
Mickey Scheidt
Cynthia Williamson, AIE, CLU, CEBS, RHU
Scott Zager, ACS, AFSI, AIE, FLMI
Lana Garrison, ALHC
Valarie Jones

Administrator
Insurance Investigator
Insurance Investigator
Insurance Investigator
Insurance Investigator
Insurance Investigator
Insurance Investigator
Insurance Investigator
Staff Assistant
Staff Assistant

EXAMINATION DIVISION

James Nixon, CFE
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Jeff Green, CFE
Terry Sindelar, CFE
Bruce Bornman, CFE
Annie Elliott, CFE
Christopher Amory
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Jennifer Cuda, CFE
Jeanne Daharsh, FSA, MAAA
Dan Eckstein, ASA, CIE
Gary Evans, AFE
Robert Gardner, CFE, CIE
Jill Gleason, AFE
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Martha Hettenbaugh
Jeff Hemmer
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Kim Hurst, CFE
Josh Johnson, AFE
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Derek Petersen
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Isaak Russell, CFE
Bill Schmid
Linda Scholl, CFE
Justin Schrader, CFE
Larry Shaw, CFE
Matthew Sporphase, CFE, ALMI
Andrea Szwanek
Emily Turek
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Tadd Wegner, CFE
Lynn Wiese, CFE
Melissa Zade
Nicole Zimmermann, CFE

Chief Examiner
Deputy Chief Examiner
Assistant Chief Examiner
Assistant Chief Examiner
Investment Specialist
Reinsurance Specialist
Financial Analyst
Financial Analyst
Financial Analyst
Financial Examiner
Financial Analyst
Financial Analyst
Life and Health Actuarial Examiner
Life and Health Actuarial Examiner
Financial Analyst
Financial Examiner
Financial Analyst
Administrative Secretary
Premium Tax Supervisor
Financial Analyst
Burial Pre-Need Examiner
Financial Examiner
Financial Examiner
Financial Examiner
Staff Assistant II
Financial Analyst
Financial Examiner
Examination Supervisor
Financial Examiner
Financial Examiner
Financial Examiner
Financial Examiner
Financial Analyst
Financial Analyst
Financial Examiner
Financial Examiner
Financial Analyst
Financial Examiner
Assistant Company Administrator
Financial Analyst
Financial Examiner

INSURANCE FRAUD PREVENTION DIVISION

Chuck Starr
Mike Engel
Mark Wolfe
Connie Drake

Division Chief
Fraud Investigator
Fraud Investigator
Administrative Assistant

LEGAL DIVISION

Christine Neighbors
Janette Adair
Mike Boyd
Eric Dunning
Joel Green
Martin Swanson
Tracy Gruhn

General Counsel
Agency Counsel
Agency Counsel
Agency Counsel
Agency Counsel
Agency Counsel
Staff Assistant

LIFE AND HEALTH DIVISION

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John Rink
Maryana Grodnova-Ware
LeAnn Hammar, HIA, ALHC
Deb Cooper

Administrator
Actuarial Assistant
Life and Health Analyst
Life and Health Analyst
Staff Assistant

MARKET CONDUCT

Reva Vandevoorde, CIE, CPCU
Cathy Hoban, AIE, ACS, FLMI, AIRC, FLHC
Ted Johnson, CLU, CPCU, AIE, ARM, AIC
John Koenig, CIE, ACS, HIA, FLMI
Brenda Lenoff
Carol McDermitt
Marilyn Meier

Market Conduct Administrator
Market Conduct Examiner II
Market Conduct Examiner II
Market Conduct Analyst
Market Conduct Examiner II
Market Conduct Examiner II
Market Conduct Examiner II

PRODUCERS' LICENSING DIVISION

Jason McCartney
Phyliss Bourne
Krystal Lanning
Rae Ann Mastny
Janet Roberts

Administrator
Staff Assistant
Staff Assistant
Staff Assistant
Staff Assistant

PROPERTY AND CASUALTY DIVISION

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Connie Van Slyke
Chris Williamson
Gina Goodro

Administrator
Property and Casualty Analyst
Property and Casualty Analyst
Property and Casualty Analyst
Staff Assistant

PROPERTY AND CASUALTY ACTUARIAL DIVISION

Alan Wickman, ACAS

Administrator

SENIORS HEALTH INSURANCE INFORMATION PROGRAM

Kendra Rathjen
Alicia Stark
Nick Trede
Sue Kuzelka

SHIIP Program Coordinator
SHIIP Training Coordinator
SHIIP Training Specialist
SHIIP Staff Assistant

**STATE OF NEBRASKA
DEPARTMENT OF INSURANCE**

The Department of Insurance shall have general supervision, control and regulation of insurance companies, associations and societies, and the business of insurance in Nebraska, including companies in process of organization. The Director of Insurance shall be the chief administrative officer of the Department and shall have the power and duty to enforce and execute all the insurance laws of this state and make all needful rules and regulations for the purpose of carrying out the true spirit and meaning on this enactment and all laws relating to the business of insurance, and, to that end, may authorize and empower an assistant or employee to do any and all things that he/she may do on his/her behalf, and he/she shall see that all laws respecting insurance companies and insurance agents are faithfully executed. The Director or his/her representative shall issue all certificates and licenses as provided for in Chapter 44. The Director and his/her authorized representative shall have the power and authority to do all things and to perform all acts the Department is given the power and authority to do.

The Department of Insurance operates on a fiscal year that begins July 1 and ends June 30. Various fees that the Department collects fund the Department's operations. The table below presents fees collected during the last three fiscal years.

Fees: (Fiscal Year)	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>
Examination Fees	\$ 3,535,406	\$ 3,733,932	\$ 2,172,855
Admin. Fee Professional Medical Liability	171,583	186,806	204,735
Publications/Photocopies/Fraud Conference	53,147	51,051	33,519
Agent Certification	41,795	36,430	29,636
Legal Filing Fees	12,130	16,077	21,313
Miscellaneous Fees (Filing Fees)	9,732	261,896	931,139
Admin. Fees - Premium Taxes	35,374	73,130	35,750
Pre-Admission Review Fees	37,775	27,700	32,500
P&C Filing Fees	255,175	265,720	388,385
L&H Filing Fees	139,845	127,239	127,476
Fraud Fee	347,305	369,608	330,494
Certificate of Authority	907,479	672,223	63,745
Agency License	396,610	435,499	455,115
Company Appointment/Cancellation	4,893,847	4,632,314	4,799,030
Agent's License	2,146,576	2,324,100	2,511,237
Utilization Review Agents	6,400	5,105	4,505
Continuing Education Approval/Course Comp.	74,695	76,725	73,580
Reinsurance Intermediary	3,750	4,000	4,250
Third Party Administrator	60,555	65,755	64,955
Pre-License Certification/Course Approval	<u>17,090</u>	<u>16,670</u>	<u>15,750</u>
TOTAL FEES	<u>\$13,146,269</u>	<u>\$13,381,980</u>	<u>\$12,299,969</u>

The Department of Insurance also collects taxes based on the premiums charged for insurance written in Nebraska. Tax revenue collected by the Department is distributed to other governmental units, including the General Fund, the Workers' Compensation Court, School Districts, Counties and Municipalities. The table below represents the premium tax revenue and administrative fines collected by the Department of Insurance and distributed to other government units for the last three tax years.

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Premium Tax	\$ 49,163,773	\$ 46,471,859	\$ 49,780,810
Fire Insurance Tax	2,795,000	2,799,315	2,638,324
Workers' Compensation Cash Fund	3,611,292	3,539,324	-0-
Workers' Compensation Trust Fund	3,643,576	1,189,458	-0-
Premium Tax transferred to CHIP			
Fund (Net) (1)	<u>20,461,123</u>	<u>23,834,603</u>	<u>23,381,858</u>
TOTAL TAXES	\$ 79,674,764	\$ 77,834,559	\$ 75,800,992
Interest Income from Premium Tax Prepayments/CHIP Fund	\$ 983,485	\$ 1,105,282	\$ 977,847
Late Payment Penalties and Administrative Fines (2)	<u>359,508</u>	<u>935,956</u>	<u>288,191</u>
TOTAL INTEREST AND PENALTIES	\$ 1,342,993	\$ 2,041,238	\$ 1,266,038
TOTAL REVENUE DISTRIBUTED TO OTHER GOVERNMENTAL ENTITIES/FUNDS	<u>\$ 81,017,757</u>	<u>\$ 79,875,797</u>	<u>\$ 77,067,030</u>

- (1) To more accurately reflect the premium taxes paid by insurers, net transfers to the CHIP (Comprehensive Health Insurance Pool) Fund have been included. The CHIP Fund provides funding per Neb. Rev. Stat. §44-4225.
- (2) Includes Neb. Rev. Stat. §44-322 forfeiture amount of \$100 per day until Annual Statement submission requirements are met.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides support functions for all Divisions of the Department of Insurance. This Division plays a key role in the development and operation of all agency information systems. This Division also provides all administrative support functions of the agency including budget and accounting functions, purchasing, records management, mail management, telephone services, word processing, office utilization, and general clerical support.

CONSUMER AFFAIRS DIVISION

The Division personnel investigate consumer complaints, which include the review and evaluation of insurance company handling and regulatory compliance. During 2008, the division opened 1,711 cases. The cases closed during 2008 reflect the following:

<u>Automobile</u>	<u>Investigations</u>	<u>Accident and Health</u>	<u>Investigations</u>
Private Passenger	339	Group	317
Commercial	34	Individual	279
Motor Sports	1	Other	<u>2</u>
Motorcycle	3	Total	598
Motorhome	1		
Rental	1		
Other	<u>1</u>		
Total	380		

<u>Homeowners</u>	<u>Investigations</u>	<u>Fire, Allied Lines & Commercial Multi-Peril</u>	<u>Investigations</u>
Homeowners	174	Fire/Allied Lines	1
Group Homeowners	1	Commercial Multi-peril	12
Farmowner/Ranchowner	23	Dwelling Fire	11
Mobil Homeowner	10	Other	<u>2</u>
Renters/Tenants	5	Total	26
Condo/Townhouse	2		
Other	<u>3</u>		
Total	218		

<u>Liability</u>	<u>Investigations</u>	<u>Life and Annuity</u>	<u>Investigations</u>
General	24	Individual Life	92
Umbrella	2	Annuities	41
Other	<u>4</u>	Group Life	18
Total	30	Credit Life	2
		Group Annuities	4
		Other	<u>1</u>
		Total	158

<u>Miscellaneous</u>	<u>Investigations</u>
Workers' Compensation	7
Inland Marine	1
Title	20
Extended Warranty/Svc. Contract	12
Fidelity and Surety	2
Federal Crop	4
Federal Flood	2
Watercraft	2
Surplus Lines	2
Other	<u>21</u>
Total	73

EXAMINATION DIVISION

The Examination Division conducts examinations of licensed insurance companies to determine the financial condition of the company, its ability to meet and fulfill its obligations, and whether it has complied with the provisions of the Nebraska Statutes. Examiners' salaries and expenses are paid from a cash fund, the income of which is the reimbursement from insurance companies for time spent on, and actual expense incurred during the examination.

The Division's staff of financial analysts review the financial statements of the approximate 1,552 insurance companies licensed to do business in Nebraska. The analysts may recommend that an examination be conducted or that a company's authority to do business in Nebraska be suspended or revoked.

This Division is also responsible for audit and collection of premium tax, fire insurance tax, workers' compensation taxes and various renewal fees.

In addition to the above, major responsibilities include the admission of companies to do business in Nebraska, the regulation and examination of burial pre-need sales, regulation of purchasing and risk retention groups, regulation of third party administrators, review of holding company filings, and administration of insurance company securities placed on deposit with the Department.

The present staff of the Examination Division consists of a Chief Examiner, a Deputy Chief Examiner, two Assistant Chief Examiners, two Life and Health Actuarial Examiners, an Investment Specialist, a Reinsurance Specialist, an Assistant Company Administrator, an Examiner Supervisor, fourteen financial examiners, a burial pre-need examiner, thirteen financial analysts, a premium tax analyst, a staff assistant, and an administrative secretary.

FINANCIAL EXAMINATIONS COMPLETED IN 2008

Company Name	Examination Type
The Central National Insurance Company of Omaha	Financial
Central States Indemnity Co. of Omaha	Financial
Commonwealth Land Title Insurance Company	Financial
Cooperative Mutual Insurance Company	Financial
CSI Life Insurance Company	Financial
Empire Fire and Marine Insurance Company	Financial
Employers Mutual Acceptance Company	Financial
Farmers Mutual Insurance Company of Nebraska	Financial
German Mutual Insurance Association of Nebraska	Financial
Global Surety & Insurance Co.	Financial
Grange Mutual Insurance Company of Custer County, Nebraska	Financial
Great West Casualty Company	Financial
Knox County Farmers Mutual Insurance Company, Inc.	Financial
Lawyers Title Insurance Corporation	Financial
Lincoln Benefit Life Company	Financial
Mutual of Omaha Insurance Company	Financial
National Plate Glass Mutual Insurance Company	Financial
Northern Nebraska United Mutual Insurance Company	Financial
Omaha Insurance Company	Qualifying
Omaha Life Insurance Company	Qualifying
Scandinavian Mutual Insurance Company of Polk County, Nebraska	Financial
Surety Life Insurance Company	Financial
Title Insurance Company of America	Financial
Transnation Title Insurance Company	Financial
UnitedHealthcare of the Midlands, Inc.	Financial
United of Omaha Life Insurance Company	Financial
United World Life Insurance Company	Financial

HUMAN RESOURCES DIVISION

The employees of the Department of Insurance are our most important resource, therefore, nondiscriminatory recruitment; selection of new employees entering the Department workforce; maintenance and retention of existing employees; and the training and promotion of Department employees is an ongoing concern.

The Human Resources Division:

- ▶ Provides information and support to employees regarding recruitment, hiring, wage and salary administration (payroll), the labor contract, enrollment of employees in benefit programs and training programs such as defensive driving, supervisory training, educational videos, etc. and maintenance of individual personnel records. Additionally Human Resources provides information and support relative to performance evaluations and performance plans and all other personnel related benefit programs.
- ▶ Administers the Affirmative Action Plan, Americans with Disabilities Act, Family Medical Leave Act, Tuition Assistance Educational Program, Awards Program, Annual Staff Development Day and special projects as assigned by the Department Director.
- ▶ Creates and assists with enforcement of the Department's Personnel policies and procedures.

INSURANCE FRAUD PREVENTION DIVISION

The duties and responsibilities of the Fraud Division are to conduct investigations independent of or in conjunction with other law enforcement agencies when the Division has cause to believe that an act of insurance fraud has been, or is currently being committed. The Division also undertakes independent studies to determine the extent of fraudulent insurance activity in the State of Nebraska. The Fraud Division works in cooperation with law enforcement, prosecuting attorneys, and the insurance industry in the investigation and prosecution of insurance fraud violations. The Fraud Division is staffed with a Division Chief, two Insurance Fraud Investigators and an Administrative Assistant.

LEGAL DIVISION

The Legal Division prepares Department regulations, bulletins and legal interpretations, represents the Department in administrative hearings, and processes applications by domestic insurers for certificates of authority, mergers, acquisitions and domestications. This Division also renders legal advice on policy form approvals, financial transactions, investments and agreements entered into by insurers as well as coordinating legislative matters. Enforcement of compliance with the Nebraska Insurance Statutes and Department of Insurance regulations by all insurers, insurance agents, brokers, and all others licensed by the Department of Insurance as well as unauthorized entities is performed by the Legal Division. The counsel for the Department acts as a liaison with the Attorney General's Office regarding all pending litigation and/or appeals from administrative rulings. The Legal Division also acts as counsel for the Director in connection with the supervision, rehabilitation or liquidation of insurance companies and advises the Director in connection with the operation of the Nebraska Property and Liability Insurance Guaranty Association, the Nebraska Life and Health Insurance Guaranty Association, the Medical Malpractice Excess Liability Fund and the Comprehensive Health Insurance Pool.

LIFE AND HEALTH DIVISION

Policy forms and health rates must be filed with and approved by the Life and Health Division prior to use pursuant to Neb. Rev. Stat. §44-710 and §44-511. During 2008, the Life and Health Division approved 10,748 various life and health forms, including policies, riders, endorsements, applications and advertising. A total of 1,380 health insurance rate filings were also reviewed.

Other activities of the Life and Health Division include the issuing of valuation certificates for all domestic life companies and collaboration with other Divisions on a variety of life and health insurance issues. The Life and Health Division reviews annual filing requirements including long-term care and Medicare supplement reports, prompt payment certifications and small group certifications.

MARKET CONDUCT DIVISION

The Market Conduct Division performs market analysis in order to develop a baseline understanding of the marketplace and to identify regulated entities for further review or practices that deviate significantly from the norm or that may pose a potential harm to consumers. The Market Conduct Division performs a range of continuums of regulatory responses appropriate for the circumstance, from office-based information gathering to comprehensive market conduct examinations. Continuums are conducted on licensed insurance companies and health maintenance organizations as well as licensed producers and agencies.

The present staff of the Market Conduct Division consists of an Administrator, a Market Analyst and five Market Conduct Examiners.

MARKET CONDUCT EXAMINATIONS COMPLETED IN 2008

Company Name
Ameritas Life Insurance Corp.
Ameritas Variable Life Insurance Company
Battle Creek Mutual Insurance Company
Capitol Casualty Company
The Catholic Relief Insurance Company of America
Central States Health & Life Co. of Omaha
Farmers Mutual Home Insurance Company
Lincoln Memorial Life Insurance Company
Medico Insurance Company
Medico Life Insurance Company
Mutual of Omaha Insurance Company
Norfolk Mutual Insurance Company
United of Omaha Life Insurance Company

PRODUCERS' LICENSING DIVISION

Any individual, whether or not compensated, who solicits, negotiates, sells to risks located in Nebraska, unless exempted by law, must be licensed as a producer in the appropriate lines of insurance.

No insurance company admitted to do business in this state shall accept applications for, write, place or cause to be written or placed any policy of insurance the solicitation of which involves an insurance producer, or insurance agency and which covers risks located or residing in this state except through a licensed producer who has been appointed by such company or through an individual licensed as a producer acting as a broker in the state.

Any partnership, unincorporated association, corporation or Limited Liability Company, Limited Liability Partnership, or other legal entity transacting business with the public or insurance companies as an insurance producer must be licensed as an insurance agency. The following reflects active licenses for the year ending December 31, 2008:

Resident Producers	16,697	Nonresident Consultants	81
Nonresident Producers	48,162	Agent's Appointments	314,443
Resident Consultants	179	Insurance Agencies	7,677

PROPERTY AND CASUALTY DIVISION

The Property and Casualty Division analyzes and takes final action on policy and endorsement filings made by insurance companies and other entities such as advisory organizations. The Division provides relevant technical support in property and casualty matters to other areas within the Department. The Division also handles most of the day-to-day administrative activities of the Excess Liability and Residual Funds. These funds provide excess and "Assigned risk" medical professional liability insurance for doctors, hospitals and other specific Nebraska health care providers.

Dependent on the line of insurance, and the nature of the entity making the filing, the majority of the filings are processed on a "File and use" or "Prior approval" basis. Most filings are governed by the Property and Casualty Insurance Rate and Form Act (Neb. Rev. Stat. §§44-7501 to 44-7530).

Motor vehicle service contract filings submitted to the Division are governed by the Motor Vehicle Service Contract Reimbursement Insurance Act (Neb. Rev. Stat. §§44-3520 to 44-3526).

During 2008, the Property and Casualty Division received 4,558 new filings, including those filings received by advisory organizations. Final action was taken on 4,826 filings, which were reviewed on prior approval or file and use basis - depending on the line of insurance. Final action was taken on 98 motor vehicle service contract filings. Filings that were disapproved or withdrawn totaled 70.

Approximately 91% of the Division's filings are received electronically through the System for Electronic Rate and Form Filings (SERFF).

PROPERTY AND CASUALTY ACTUARIAL DIVISION

The Actuarial Division provides support for the Examination Division, the Property and Casualty Division, the Excess Liability Fund and the Office of the Director. Duties include review of rates and policy issues for the Property and Casualty Division, review of casualty reserves and actuarial opinions for the Examination Division, review of reserves and assessment levels for the Excess Liability Fund and handling of casualty actuarial and other professional studies for the Department.

SENIORS HEALTH INSURANCE INFORMATION PROGRAM (SHIIP)

The Nebraska Senior Health Insurance Information Program (SHIIP) informs, educates, and assists seniors and those with disabilities to make informed decisions on topics related to health insurance. SHIIP provides assistance to Medicare beneficiaries and caregivers with questions or concerns about Medicare, Medicare supplement insurance, Medicare Health Plans, Medicare Part D, Medicaid and other types of health insurance.

SHIIP currently has more than 310 trained volunteers across the state, providing free and unbiased counseling to the more than 266,000 Nebraska Medicare beneficiaries.